

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 288 – SB 400

April 24, 2017

SUMMARY OF ORIGINAL BILL: Establishes a three-year pilot program to be administered by the Department of Education (DOE), beginning with the 2018-19 school year and running through the 2020-21 school year, to provide grants to local education agencies (LEAs) to implement the Leader in Me® program.

Requires the grant awards to not exceed \$2,000,000 in the 2018-19 school year; \$2,000,000 in the 2019-2020 school year; and \$1,000,000 in the 2020-21 school year. Requires the Comptroller's Office of Research and Education Accountability (OREA) to study the pilot program and make a report to the Education Committees of the General Assembly by December 31, 2020.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$2,000,000/FY18-19
\$2,000,000/FY19-20
\$1,000,000/FY20-21

SUMMARY OF AMENDMENT (006988): Deletes and rewrites the bill such that the only substantive changes are: (1) to include a character education application fee of \$7,500 payable to the Department of Education, from any school applying for a grant to participate in the program; and (2) to describe the Leader in Me® program as an example of an adequate character education program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - Exceeds \$22,500/FY17-18/Department of Education

**Increase State Expenditures - \$2,000,000/FY18-19/General Fund
\$2,000,000/FY19-20/General Fund
\$1,000,000/FY20-21/General Fund**

Assumptions for the bill as amended:

- The grant program will expend the specified amounts of funding in each of the three school years as proposed beginning with the 2018-19 school year.
- Grant awards will occur as follows: \$2,000,000 in FY18-19; \$2,000,000 in FY19-20; and \$1,000,000 in FY20-21.
- Appropriations from the state General Fund will be required to fund the provisions of the bill as amended.
- No increase in personnel for DOE. Any increase in state expenditures for the Department to administer the program is estimated to not significant.
- OREA will conduct the required study in the normal course of business without an increase in personnel.
- At least one school in each grand division will apply for grants for the character education program. However, the exact number of schools that will apply and pay the \$7,500 application fee cannot be reasonably determined. However, the one-time increase in state revenue to the DOE is reasonably estimated to exceed \$22,500 (\$7,500 x 3 schools)

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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